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Consumer Price Index, Houston-Galveston-Brazoria – June 2015

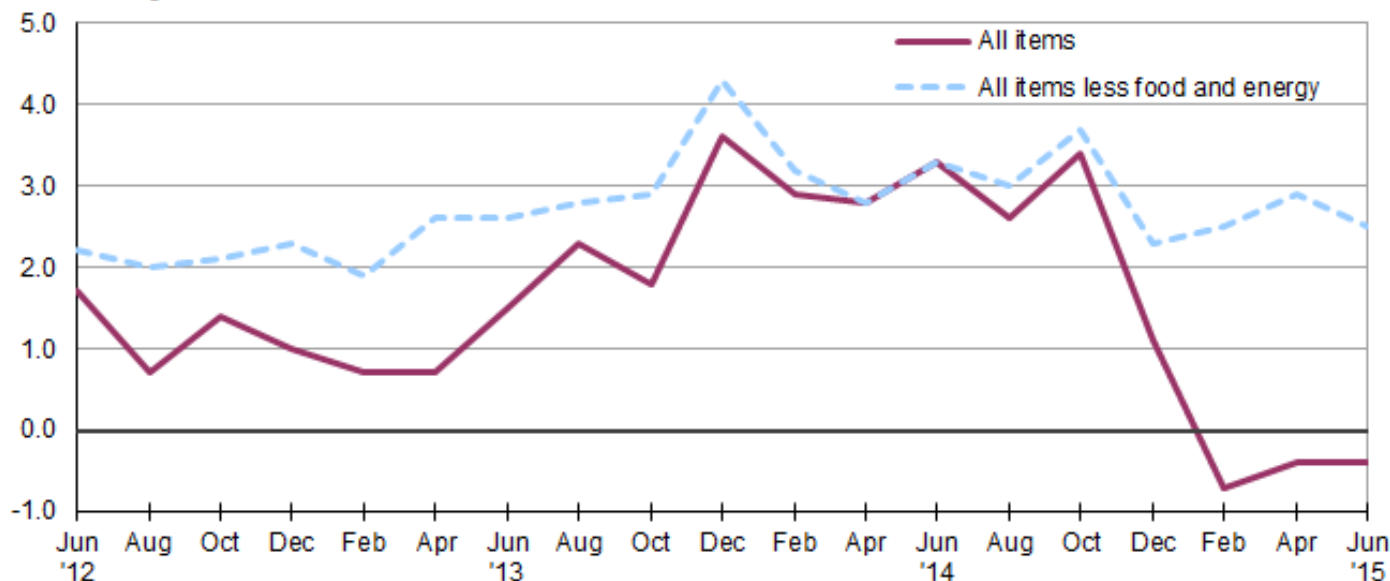
Area prices up 0.7 percent in May and June, but down 0.4 percent over the year

The Consumer Price Index for All Urban Consumers (CPI-U) in the Houston area rose 0.7 percent in May and June, the U.S. Bureau of Labor Statistics reported today. Regional Commissioner Stanley W. Suchman noted that this increase followed a 1.0-percent advance in March and April. The biggest factor in the current two-month movement was a 7.7-percent increase in energy costs, though a 0.2-percent rise in the index for all items less food and energy also contributed; food prices were little changed (-0.1 percent) during the period. (Data in this report are not seasonally adjusted. Accordingly, short-term changes may reflect the impact of seasonal influences.)

During the 12 months ended in June 2015, the all items CPI-U fell 0.4 percent, the third consecutive period of annual declines for the overall index. (See [chart 1.](#)) In contrast, the index for all items less food and energy rose 2.5 percent over the year. (See [table 1.](#))

Chart 1. Over-the-year percent change in CPI-U, Houston-Galveston-Brazoria, June 2012–June 2015

Percent change



Source: U.S. Bureau of Labor Statistics.

Food

Following a 0.3-percent increase in March and April, local food prices were little changed (-0.1 percent) in May and June. Prices for food at home (grocery stores) fell 0.3 percent; prices for food away from home were essentially unchanged (0.1 percent).

From June 2014 to June 2015, the food index advanced 1.7 percent, reflecting the combined effects of a 0.8-percent price rise at grocery stores and a 2.8-percent price rise for food away from home.

Energy

The energy index advanced 7.7 percent in May and June, after rising 4.1 percent in March and April. The biggest factor in the current two-month increase was a 12.5-percent rise in the motor fuel index, though higher electricity prices also contributed, up 1.6 percent. Partially offsetting these increases, natural gas prices declined 1.7 percent during the period.

During the year ended in June 2015, the energy index registered a 23.9-percent decline as prices fell for all three energy components. A 26.1-percent drop in motor fuel costs was the biggest factor in the decrease, but lower household energy prices also contributed. Electricity prices fell 21.5 percent during the last 12 months and natural gas costs were down 13.8 percent.

All items less food and energy

The index for all items less food and energy edged up 0.2 percent in May and June, after increasing 0.9 percent in March and April. The leading factor in the current advance was higher shelter costs, as the indexes rose for both renters' costs (1.1 percent) and owners' equivalent rent (0.7 percent). Also contributing were higher prices for airline fares, other goods and services, and medical care. Largely countering these increases were lower prices for apparel (-6.0 percent) and recreation (-0.3 percent).

From June 2014 to June 2015, the index for all items less food and energy rose 2.5 percent. As with the bimonthly advance, the leading factor in the annual increase was higher shelter costs which rose 4.8 percent. Other important contributors included higher prices for medical care (4.2 percent), other goods and services (2.5 percent), and education and communication (1.9 percent). Offsetting a portion of these advances, annual declines were recorded for apparel (-7.2 percent) and recreation (-3.5 percent).

The August 2015 Consumer Price Index for All Items for Houston-Galveston-Brazoria will be released on September 16, 2015.

Technical Note

The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. The Bureau of Labor Statistics publishes CPIs for two population groups: (1) a CPI for All Urban Consumers (CPI-U) which covers approximately 89 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 28 percent of the total population. The CPI-U includes, in addition to wage earners and clerical workers, groups such as

professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force.

The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living. Each month, prices are collected in 87 urban areas across the country from about 6,000 housing units and approximately 24,000 retail establishments--department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments. All taxes directly associated with the purchase and use of items are included in the index.

The index measures price changes from a designated reference date (1982-84) that equals 100.0. An increase of 16.5 percent, for example, is shown as 116.5. This change can also be expressed in dollars as follows: the price of a base period "market basket" of goods and services in the CPI has risen from \$10 in 1982-84 to \$11.65. For further details, see the CPI home page on the Internet at www.bls.gov/cpi and the BLS Handbook of Methods, Chapter 17, *The Consumer Price Index*, available on the Internet at www.bls.gov/opub/hom/homch17_a.htm.

In calculating the index, price changes for the various items in each location are averaged together with weights that represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. city average. Because the sample size of a local area is smaller, the local area index is subject to substantially more sampling and other measurement error than the national index. In addition, local indexes are not adjusted for seasonal influences. As a result, local area indexes show greater volatility than the national index, although their long-term trends are quite similar. NOTE: **Area indexes do not measure differences in the level of prices between cities; they only measure the average change in prices for each area since the base period.**

The **Houston-Galveston-Brazoria, Texas, Consolidated Metropolitan Statistical Area (CMSA)** includes Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, and Waller Counties.

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Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods, Houston-Galveston-Brazoria, TX (1982-84=100 unless otherwise noted)

Item and Group	Indexes			Percent change from -		
	Apr. 2015	May 2015	Jun. 2015	Jun. 2014	Apr. 2015	May 2015
All items.....	212.439		213.896	-0.4	0.7	
All items (1967 = 100).....	681.368		686.042			
Food and beverages.....	223.772		223.350	1.6	-0.2	
Food.....	223.475		223.195	1.7	-0.1	
Food at home.....	223.936	221.460	223.329	0.8	-0.3	0.8
Food away from home.....	218.587		218.702	2.8	0.1	
Alcoholic beverages.....	218.065		215.502	0.4	-1.2	
Housing.....	199.794		201.293	1.9	0.8	
Shelter.....	238.543	239.866	240.485	4.8	0.8	0.3
Rent of primary residence ⁽¹⁾	229.020	230.234	231.640	5.8	1.1	0.6
Owners' equivalent rent of residences ^{(1) (2)}	221.438	222.324	222.943	5.3	0.7	0.3
Owners' equivalent rent of primary residence ^{(1) (2)}	221.438	222.324	222.943	5.3	0.7	0.3
Fuels and utilities.....	155.869		156.907	-14.8	0.7	
Household energy.....	136.558	135.580	137.896	-20.2	1.0	1.7
Energy services ^{(1) (3)}	134.034	133.044	135.355	-20.2	1.0	1.7
Electricity ⁽¹⁾	131.457	130.760	133.533	-21.5	1.6	2.1
Utility (piped) gas service ⁽¹⁾	135.129	132.867	132.858	-13.8	-1.7	0.0
Household furnishings and operations.....	121.066		121.568	2.6	0.4	
Apparel.....	179.090		168.409	-7.2	-6.0	
Transportation.....	176.660		182.505	-6.5	3.3	
Private transportation.....	174.739		180.135	-6.4	3.1	
Motor fuel.....	201.703	218.061	226.862	-26.1	12.5	4.0
Gasoline (all types).....	201.488	218.716	227.958	-26.0	13.1	4.2
Gasoline, unleaded regular ⁽⁴⁾	205.416	223.500	233.115	-26.8	13.5	4.3
Gasoline, unleaded midgrade ^{(4) (5)}	212.612	228.088	238.509	-23.8	12.2	4.6
Gasoline, unleaded premium ⁽⁴⁾	211.528	227.529	235.266	-21.8	11.2	3.4
Medical care.....	449.718		450.545	4.2	0.2	
Recreation ⁽⁶⁾	102.804		102.509	-3.5	-0.3	
Education and communication ⁽⁶⁾	124.231		124.188	1.9	0.0	
Other goods and services.....	386.884		390.923	2.5	1.0	
COMMODITY AND SERVICE GROUP.....						
Commodities.....	174.421		175.529	-3.7	0.6	
Commodities less food and beverages.....	149.847		151.537	-6.5	1.1	
Nondurables less food and beverages.....	196.024		200.416	-11.9	2.2	
Durables.....	106.027		105.780	1.1	-0.2	
Services.....	252.012		253.830	2.1	0.7	
SPECIAL AGGREGATE INDEXES.....						
All items less shelter.....	202.576		203.853	-2.4	0.6	
All items less medical care.....	200.826		202.275	-0.7	0.7	
Commodities less food.....	152.255		153.850	-6.3	1.0	
Nondurables.....	210.328		212.379	-5.4	1.0	
Nondurables less food.....	197.135		201.136	-11.2	2.0	
Services less rent of shelter ⁽²⁾	265.005		266.624	-0.4	0.6	
Services less medical care services.....	232.576		234.412	2.0	0.8	
Energy.....	166.865	174.218	179.632	-23.9	7.7	3.1
All items less energy.....	219.736		220.027	2.3	0.1	

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods, Houston-Galveston-Brazoria, TX (1982-84=100 unless otherwise noted) - Continued

Item and Group	Indexes			Percent change from -		
	Apr. 2015	May 2015	Jun. 2015	Jun. 2014	Apr. 2015	May 2015
All items less food and energy.....	218.926		219.320	2.5	0.2	

⁽¹⁾ This index series was calculated using a Laspeyres estimator. All other item stratum index series were calculated using a geometric means estimator.

⁽²⁾ Indexes on a December 1982=100 base.

⁽³⁾ Prior to January 2011 this series was titled Gas (piped) and electricity.

⁽⁴⁾ Special index based on a substantially smaller sample.

⁽⁵⁾ Indexes on a December 1993=100 base.

⁽⁶⁾ Indexes on a December 1997=100 base.

Note: Index applies to a month as a whole, not to any specific date.